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JUN 4 1955

**MEMORANDUM FOR:** Director of the Bureau of the Budget

**SUBJECT:** Reexamination of CIA's Reimbursement Practices

1. On September 23, 1954 I informed the State Department, in connection with the USIA survey report, that this Agency in cooperation with the Department and the Bureau of the Budget was undertaking a re-examination of the method of financing State's NIS program by CIA. The attached report stemming from that reexamination endeavors to treat the subject of reimbursement as comprehensively as possible in order to cover our other reimbursement practices and to provide guidance in the conduct of this aspect of our fiscal affairs.

2. The Department of State has officially concurred in the report. This Agency has informally consulted with the intelligence agencies of the Army, Navy and Air Force to ascertain the extent of their interest in the report. They have not raised any objection to the report, although this does not, of course, prejudice their position with regard to any specific action in the future in which they would be an interested party. Representatives of the Bureau of the Budget with whom my representatives have been in consultation on this matter have stated they see no objection to the conclusions of the report from the Bureau's point of view.

3. I have approved the report and am requesting my staff to be guided by the principles and conclusions of the report.

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 NO CHANGE IN CLASS   
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 NEXT REVIEW DATE: 20/11  
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 DATE 16/3/81 REVIEWER:           

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ALLEN W. DULLES  
 Director

Attachment

cc: Department of State

PCS/DCI:JQR:aml (18 May 1955)

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